

June 5, 2002

Secretary Marlene Dortch
Office of the Secretary
Federal Communications Commission
445 12 th Street SW
Suite TW-A325
Washington, DC 20554

RE: Rural Health Care Support Mechanism (WC Docket No. 02-60; FCC 02-122)

The following comments are submitted on behalf of the National Association of County and City Health Officials in reference to the Federal Communications Commission (FCC) Notice Of Proposed Rule Making (NPRM) regarding the Rural Health Care Universal Service Program.

Eligible Health Care Providers

Nursing Homes and Long Term Care Facilities

The FCC asks whether it should revisit its interpretations of the terms “health care provider” and “rural health clinic” to enable rural health care providers to be eligible for discounts even if they or their affiliates also function in capacities that do not fall under the statutory definition in section 254 (b)(7)(B).

We believe that the FCC too narrowly defined the terms above which resulted in a whole class of vital health care delivery facilities being left out of the Universal Service Program. In particular, nursing homes and long-term care facilities need to be included. In many cases, they provide services which are necessary after leaving the hospital or replace hospitalization. These facilities are especially valuable in the rural areas where the “traditional” urban medical facilities are not present or distance and cost are barriers which rural patients find prohibitive. In addition as the population ages, both of these facilities serve to take the burden off of the already overused health care system.

Eligible Services

Internet Access

The FCC seeks comment on whether to alter their current framework for providing support for Internet access for rural health care providers and provide support for any form of Internet access

for rural health care providers. Further, the Commission concluded that they have statutory authority to implement a mechanism of universal service support for non-telecommunications services as long as the mechanism is competitively neutral, technically feasible, and economically reasonable.

We believe that the FCC should support monthly Internet service charges for all eligible rural health care providers. The Internet is a tool that has become invaluable in our day-to-day operations and provides a vital link to information and instantaneous communications in times of natural disasters and public health emergencies. Nothing has proven that so vividly as the recent September 11 disaster. That event makes it even more critical that rural areas have the ability to transmit and receive information instantaneously in the event of a biological or chemical attack. Further, Internet service charges are currently being supported by another Universal Service program, the “E-rate” and we see no difference in the needs of schools and libraries and rural health care providers. Finally, one of your goals is to increase participation in the rural health care program and we are confident that most all of the eligible entities would take advantage of the support if it were included in the program.

The FCC also asks what the financial impact to the program would be if Internet service were included in the program. Currently, the program is authorized at \$400 million and less than \$20 million is being expended. Assuming 10,000 rural health care providers would take advantage of this support at a rate of approximately \$100 per month, the annual expenditure for Internet access would be \$12 million. In addition, we believe that it would have a positive impact on facilities based broadband deployment in rural areas.

Calculation of Discounted Services

The FCC seeks comments on whether to eliminate the maximum allowable distance (MAD) restriction and allow the comparison of rates in any urban area in the state.

Currently, the MAD is limited to the distance from the health care provider to the closest city of 50,000 people in their state. In many instances, this truncates the support necessary for health care providers as they seek to deliver the best health care to rural America. We propose that the FCC expand the distance to anywhere within a state or even bordering states. Not only would this simplify the application process, but it would give more support to deserving applicants. In reality, the MAD as it exists today only provides a barrier to the expansion of telehealth and telemedicine in rural areas and dampens the demand for vital high-tech services.

Regarding the comparison of rates to any urban area in the state, we believe that this is an excellent method of determining a baseline for comparison. In this manner, rural health care providers are truly gaining the intent of Congress, by equalizing the costs paid by rural Americans versus those in urban areas. It would also in essence bring the forces of competition to the rural areas.

Thank you for your attention.

Sincerely,

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cc: Qualex International